GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5616
ANSWERED ON:07.04.2017
Defrauded Bank Loan
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Will the Minister of FINANCE be pleased to state:

(a) the number of cases filed against individuals and companies who have defrauded banks have led to convictions during the last three years and the current year;
(b) the details of the amount recovered from individuals and companies who defrauded the banks by taking unworthy loans during the said period;
(c) the details of the tier 1 and tier 2 capital assets ratios of all the Public Sector Banks (PSBs) along with the cost incurred by the Government to recapitalise the PSBs to maintain their regulated tier 1 capital ratio of 6.5 per cent; and
(d) the steps taken/being taken by the Government to stop the persistent occurrence of fraudulent loans disposals by PSBs?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (d): The details of number of cases filed against individuals and companies who have defrauded banks have led to convictions during the last three years and current year (upto December- 2016) for Public Sector Banks (PSBs) is as per Annexure-I.

The details of the amount recovered from individuals and companies who defrauded the banks during the last three years and current year (upto December- 2016) for Public Sector Banks (PSBs) is as per Annexure-II.

The details of the tier 1 and tier 2 capital assets ratios of all the Public Sector Banks (PSBs) is as per Annexure-III.

All Public Sector Banks have a well-established vigilance mechanism headed by a Chief Vigilance Officer directly appointed by the Government of India. CVOs of the banks are expected to keep a close watch on the various aspects of functioning of the bank.

Reserve Bank of India (RBI) has issued Master Circular on "Frauds- Classification and Reporting" on July 01, 2015 contains instructions to banks which are related to disposal/ sale of loan frauds.
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